FILED
JUL 25 2008
OFFICE OF THE CLERK
SUPREME COURT, U.S.

No. 07-1303

In the Supreme Court of the United States

TRANSLOGIC TECHNOLOGY, INC., PETITIONER

v.

JONATHAN W. DUDAS, DIRECTOR,
PATENT AND TRADEMARK OFFICE

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF FOR THE FEDERAL RESPONDENT IN OPPOSITION

GREGORY G. GARRE
Acting Solicitor General
Counsel of Record
GREGORY G. KATSAS
Assistant Attorney General
MICHAEL S. RAAB
KELSI BROWN CORKRAN
Attorneys
Department of Justice
Washington, D.C. 20530-0001
(202) 514-2217

QUESTION PRESENTED

Whether the decision of the Board of Patent Appeals and Interferences in this case must be vacated on the ground that one of the members of the panel was appointed by the Director of the Patent and Trademark Office in violation of the Appointments Clause, when petitioner did not raise its constitutional objection at any time before its petition for rehearing en banc in the court of appeals.

TABLE OF CONTENTS

Page

Opinions below 1
Jurisdiction 1
Statement 2
Argument 4
Conclusion 17

TABLE OF AUTHORITIES

Cases:

Adarand Constructors, Inc. v. *Mineta*, 534 U.S. 103 (2001) 5, 15
Department of Commerce v. *United States House of Representatives*, 525 U.S. 316 (1999) 16
Freytag v. *Commissioner*, 501 U.S. 868 (1991) .. 6, 9, 10, 14
Glidden Co. v. *Zdanok*, 370 U.S. 530 (1962) 10, 13
Glover v. *United States*, 531 U.S. 198 (2001) 5
In re DBC, No. 2008-1120 Docket entry No. 29 (Fed. Cir. June 19, 2008) 9
KSR Int'l Co. v. *Teleflex Inc.*, 127 S. Ct. 1727 (2007) .. 3, 16
Matsushita Elec. Indus. Co. v. *Epstein*, 516 U.S. 367 (1996) 5
Nguyen v. *United States*, 539 U.S. 69 (2003) 9, 10, 11, 12, 13
Plaut v. *Spendthrift Farm, Inc.*, 514 U.S. 211 (1995) 9
Reiter v. *Cooper*, 507 U.S. 258 (1993) 7
Robertson v. *FEC*, 45 F.3d 486 (D.C. Cir. 1995) 7
Ryder v. *United States*, 515 U.S. 177 (1995) 11, 12, 13

Cases—Continued: Page

Spector Motor Serv., Inc. v. *McLaughlin*, 323 U.S. 101 (1944) 16
United States v. *Olano*, 507 U.S. 725 (1993) 10
United States v. *United Foods, Inc.*, 533 U.S. 405 (2001) 5
Wainright v. *Sykes*, 433 U.S. 72 (1977) 6
Woodford v. *Ngo*, 548 U.S. 81 (2006) 8
Yakus v. *United States*, 321 U.S. 414 (1944) 10

Constitution, statutes, regulation and rule:

U.S. Const.:
Art. II, § 2, Cl. 2 (Appointments Clause) 4, 11
Art. III 10, 13
35 U.S.C. 2(a)(1) 2
35 U.S.C. 3(a)(1) 2
35 U.S.C. 6 ..... 14, 15
35 U.S.C. 6(a) 2, 13, 14
35 U.S.C. 6(b) 2, 7
35 U.S.C. 103(a) 3
35 U.S.C. 134(a) (Supp. V 2005) 2
35 U.S.C. 134(b) (Supp. V 2005) 2
35 U.S.C. 141 (Supp. V 2005) 2
35 U.S.C. 306 2
37 C.F.R. 41.3 7
Fed. R. App. P. 28(j) 9

Miscellaneous: Page

H.R. 6362, 110th Cong., 2d Sess. (2008) 14
S. 3295, 110th Cong., 2d Sess. (2008) 13, 14, 15
§ 1(a)(1)(B) 14
§ 1(a)(1)(C) 15
154 Cong. Rec.:
H6088 (daily ed. June 25, 2008) 14
S6976 (daily ed. July 21, 2008) 13
S7079 (daily ed. July 22, 2008) 13
Board of Patent Appeals and Interferences, *Standard Operating Procedure 1 (Revision 12): Assignment of Judges to Merits Panels, Motions Panels, and Expanded Panels* (Aug. 10, 2005) <http://www.uspto.gov/go/dcom/bpai/sop1.pdf> 7
Manual of Patent Examining Procedure (8th ed., revision 6, Sept. 2007) <http://www.uspto.gov/web/offices/pac/mpep/mpep_e8r5_1000.pdf> 7
U.S. Patent and Trademark Office, *Process Production Report, Final Report FY 2007* (visited July 25, 2008) <http://www.uspto.gov/web/offices/dcom/bpai/docs/process/fy2007.pdf> 12

In the Supreme Court of the United States

No. 07-1303

TRANSLOGIC TECHNOLOGY, INC., PETITIONER

v.

JONATHAN W. DUDAS, DIRECTOR,
PATENT AND TRADEMARK OFFICE

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF FOR THE FEDERAL RESPONDENT IN OPPOSITION

OPINIONS BELOW

The opinion of the court of appeals (Pet. App. 1a-28a) is reported at 504 F.3d 1249. The decision of the Board of Patent Appeals and Interferences of the United States Patent and Trademark Office (Pet. App. 29a-112a) is not reported. The decision of the Board on rehearing (Pet. App. 121a-141a) is not reported.

JURISDICTION

The judgment of the court of appeals was entered on October 12, 2007. A petition for rehearing was denied on January 24, 2008 (Pet. App. 118a-120a). The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

STATEMENT

1. The United States Patent and Trademark Office (USPTO) is "responsible for the granting and issuing of patents," subject to the policy direction of the Secretary of Commerce. 35 U.S.C. 2(a)(1). The "powers and duties" of the USPTO are vested in the "Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office" (Director), who is appointed by the President with the advice and consent of the Senate. 35 U.S.C. 3(a)(1).

When a patent examiner within the USPTO makes an adverse decision on a patent application during original examination or on a patent during reexamination, the disappointed patent applicant or patent owner may take an appeal to the Board of Patent Appeals and Interferences (Board), which comprises the Director, the Commissioner for Patents, the Commissioner for Trademarks, and "administrative patent judges." 35 U.S.C. 6(a) and (b); 35 U.S.C. 134(a) and (b) (Supp. V 2005). The members of the Board who are "administrative patent judges" are required by statute to "be persons of competent legal knowledge and scientific ability who are appointed by the Director." 35 U.S.C. 6(a). Each appeal must be heard by "at least three members of the Board, who shall be designated by the Director." 35 U.S.C. 6(b). A patent owner may seek judicial review of an adverse decision of the Board in the United States Court of Appeals for the Federal Circuit. 35 U.S.C. 141 (Supp. V 2005); 35 U.S.C. 306.

2. In 1992, the USPTO issued a patent to petitioner, a designer of specialized electrical circuits. Seven years later, that patent became the subject of infringement litigation between petitioner and Hitachi, Ltd. Pursuant to a series of five requests filed by petitioner and Hita-

chi between 1999 and 2002, a patent examiner at the USPTO reexamined the disputed patent and invalidated it on the ground that it would have been obvious at the time of invention. Pet. App. 31a.

Petitioner appealed the examiner's decision to the Board, which affirmed. Pet. App. 29a-112a. A three-member panel of the Board heard the appeal on May 31, 2005, and issued its lengthy opinion on July 14, 2005. *Id.* at 29a, 30a. Petitioner filed a request for rehearing before the same panel of administrative patent judges on September 13, 2005, which was denied with another opinion on October 26, 2005. *Id.* at 121a-141a.

3. Petitioner then sought review in the United States Court of Appeals for the Federal Circuit, which affirmed the invalidity of the patent. Pet. App. 1a-28a. The court rejected all three of petitioner's arguments about the validity of its patent under 35 U.S.C. 103(a). The court first rejected petitioner's construction of the term "coupled to receive" in the patent claims, showing no deference to, but nevertheless agreeing with, the Board's construction of the claims. Pet. App. 14a, 16a-19a. It next considered and rejected two of petitioner's arguments that the invention was not obvious from the prior art. *Id.* at 19a-28a. In doing so, it relied extensively on this Court's decision in *KSR International Co.* v. *Teleflex Inc.*, 127 S. Ct. 1727 (2007), which had not been available to the Board. Pet. App. 19a, 20a-23a, 25a, 27a. Among other things, the court noted that petitioner's prior-art argument made "the same error corrected by the Supreme Court in *KSR*." *Id.* at 25a.

After the court of appeals had rejected petitioner's arguments on the merits of patentability, petitioner filed a combined petition for panel rehearing and rehearing en banc. In support of panel rehearing, petitioner raised

another argument about patentability, contending that the Federal Circuit panel had misread the patent specification and that its decision raised new grounds of rejection to which petitioner was entitled to respond. Pet. for Reh'g 2-8. In support of rehearing en banc, petitioner argued for the first time that the Board's decision should be vacated because one of the administrative patent judges who had participated in the case had been appointed by the Director, pursuant to a statutory amendment that took effect in 2000. *Id.* at 8-15. Petitioner argued that that method of appointment violates the Appointments Clause, by vesting the appointment of an inferior officer in someone other than "the President alone, * * * the Courts of Law, or * * * the Heads of Departments." Art. II, § 2, Cl. 2.

The court of appeals denied the petition for panel rehearing and rehearing en banc in a summary order that addressed neither argument on the merits. Pet. App. 118a-120a.

ARGUMENT

The petition for a writ of certiorari should be denied. Petitioner does not challenge any issue that was actually decided by the court of appeals or the administrative agency. Moreover, petitioner did not raise its Appointments Clause challenge before the Board or timely raise it before the court of appeals, and petitioner's argument regarding the applicability of the de-facto-officer doctrine is presented for the first time in its petition for a writ of certiorari. Because the court of appeals did not address either of the questions presented, and because the underlying issue may soon be obviated by the enactment of legislation that would change the method for appointing administrative patent

judges that petitioner challenges, review by this Court is not warranted.

1. Petitioner was unsuccessful in defending the validity of its patent before the patent examiner, before the Board of Patent Appeals and Interferences (both on initial appeal and on request for rehearing), and before the Federal Circuit (both on initial appeal and on petition for panel rehearing). Rather than re-urge any of its arguments about patentability, petitioner now challenges (Pet. 5-12) the constitutionality of the appointment of one of the members of the Board that unanimously rejected its patentability arguments in July and October 2005. Petitioner, however, waived its Appointments Clause challenge by failing to raise it at any stage before its petition for rehearing en banc in the court of appeals. As a direct result of that waiver, the issue was never considered by the agency or the court of appeals, and this Court should refrain from deciding the question as a matter of first impression.

a. It is, of course, this Court's general practice not to consider arguments that have not been previously addressed, because it is "a court of final review and not first view." *Adarand Constructors, Inc.* v. *Mineta*, 534 U.S. 103, 110 (2001) (per curiam) (quoting *Matsushita Elec. Indus. Co.* v. *Epstein*, 516 U.S. 367, 399 (1996) (Ginsburg, J., concurring in part and dissenting in part)); see also, *e.g.*, *United States* v. *United Foods, Inc.*, 533 U.S. 405, 417 (2001) (refusing to "allow a petitioner to assert new substantive arguments attacking * * * the judgment when those arguments were not pressed in the court whose opinion we are reviewing, or at least passed upon by it"); *Glover* v. *United States*, 531 U.S. 198, 205 (2001) ("In the ordinary course we do not decide questions neither raised nor resolved below."). Requir-

ing an issue to be raised or decided in the court below serves important purposes. It promotes judicial economy by ensuring that potentially dispositive issues can be resolved at the earliest possible stage of litigation, and it discourages "the practice of 'sandbagging'" or allowing, "for strategic reasons," the lower court to "pursue a certain course, and later—if the outcome is unfavorable—claiming that the course followed was reversible error." *Freytag* v. *Commissioner*, 501 U.S. 868, 895 (1991) (Scalia, J., concurring in part and concurring in the judgment); see also *Wainwright* v. *Sykes*, 433 U.S. 72, 89-90 (1977).

Both of those purposes would be served by denying review in this case. Petitioner never raised its constitutional challenge while its case was pending before the Board—neither when it learned of the identity of the Board members who would be deciding its case in May 2005 (Pet. App. 30a), nor when it filed a request for rehearing before the Board in September 2005 (*id.* at 122a). Petitioner also failed to raise the issue in its opening or reply brief or at oral argument before the Federal Circuit. Allowing the long history of this case to be voided on the basis of a challenge to the Board's composition that was first raised more than 28 months after petitioner knew which administrative patent judges would decide its appeal would waste judicial resources and promote sandbagging in future cases. Because the question was neither timely pressed nor passed upon below, the Court should follow its customary practice and refuse to decide the question in the first instance.

b. Petitioner contends that its failure to raise its constitutional challenge before the Board should be excused because an administrative agency cannot "entertain a claim that the statute which created it was in some

respect unconstitutional." Pet. 18 (quoting *Robertson* v. *FEC*, 45 F.3d 486, 489 (D.C. Cir. 1995)). Yet that does not accurately describe the nature of the challenge here. Petitioner does not contest the *creation* of the Board (or of the USPTO), but merely the appointment of *some* of the Board's members, each of whom serves on any particular case only upon designation by agency officials.

Moreover, petitioner has not even tried to show that this is a case in which no "relief" would have been "available" from the agency. Pet. 18 (quoting *Reiter* v. *Cooper*, 507 U.S. 258, 269 (1993)). Under 35 U.S.C. 6(b), a patent appeal within the USPTO is heard "by at least three members of the Board, who shall be designated by the Director." The Director has delegated the authority to designate panel members for individual cases to the Chief Administrative Patent Judge, who is also authorized to redelegate that authority to the Vice Chief Administrative Patent Judge. See *Manual of Patent Examining Procedure* § 1002.02(f) at 1000-9 (8th ed., revision 6, Sept. 2007) <http://www.uspto.gov/web/offices/pac/mpep/mpep_e8r5_1000.pdf>. Furthermore, according to the Board's standard operating procedures, which "create[] internal norms for the administration" of the Board, the Chief Judge or Vice Chief Judge "will approve a revised designation" of the judges on a panel "[w]hen satisfied that there is good reason to change the panel already designated." Board of Patent Appeals and Interferences, *Standard Operating Procedure 1 (Revision 12): Assignment of Judges to Merits Panels, Motions Panels, and Expanded Panels* 1, 6 (Aug. 10, 2005) <http://www.uspto.gov/go/dcom/bpai/sop1.pdf>. As a result, had petitioner raised its objection in a timely fashion (through, for example, a petition to the Chief Administrative Patent Judge under 37 C.F.R. 41.3), the

agency would have had the power to replace the panel member to whom petitioner now objects; the Director, the Chief Judge, or the Vice Chief Judge might have determined that there was "good reason to change the panel already designated" if, for example, any of those officials wanted to avoid the uncertainty that might arise from a challenge to the constitutionality of a certain Board member's appointment.

Thus, accepting petitioner's claim of futility would only ratify a course of action that deprived the agency of any chance to consider taking remedial steps to avoid the alleged constitutional problem. This then is an appropriate case to follow the "general rule" that "courts should not topple over administrative decisions unless the administrative body not only has erred, but has erred against objection made at the time appropriate under its practice." *Woodford* v. *Ngo*, 548 U.S. 81, 90 (2006) (emphasis and quotation marks omitted).

c. Of course, petitioner's claim that it would have been futile to raise its constitutional objection before the agency cannot begin to excuse its failure to raise the issue when it appealed the Board's decision to the Federal Circuit. Petitioner makes no suggestion that the Federal Circuit had any less power than this Court to decide its constitutional challenge. Indeed, petitioner's only explanation for its failure to raise the constitutional issue at any time before its petition for rehearing en banc is that the inspiration for the argument came from an article written by a law professor and published in July 2007, "after briefing and oral argument were complete." Pet. 5. That article was not an intervening change in the relevant law or facts, and was not itself based on any legal or factual propositions that were not knowable when petitioner appealed to the Federal Cir-

cuit, filed its opening brief and its reply brief, and presented oral argument. Nothing prevented petitioner from making the same constitutional argument in a timely fashion. Furthermore, petitioner does not even proffer a reason why it did not seek to notify the panel of its newfound constitutional concerns in the months between the July 2007 appearance of the article and the panel's October 12, 2007 decision.[1]

d. Rather than attempt to justify its waiver of its constitutional argument, petitioner asserts (Pet. 4, 15, 16, 19) that a separation-of-powers objection to the appointments of "judicial officers" implicates such a basic constitutional protection that it cannot be waived as long as the case is still on direct appeal.

This case, however, is distinguishable from those "'rare cas[es]'" in which this Court decided to "'exercise [its] discretion' to hear a waived claim based on the Appointments Clause." *Plaut* v. *Spendthrift Farm, Inc.*, 514 U.S. 211, 232 (1995) (quoting *Freytag*, 501 U.S. at 879). Like *Plaut*, those rare cases generally involved this Court's supervision and protection of uniquely judi-

---

[1] Even if petitioner could not have submitted the article as a "pertinent and significant authorit[y]" that had "come to [its] attention * * * after oral argument but before decision," pursuant to Rule 28(j) of the Federal Rules of Appellate Procedure, petitioner could still have moved for leave to file a supplemental brief raising the constitutional question. The Federal Circuit recently granted such a motion, raising the same Appointments Clause objection in another case that had already been fully briefed. See *In re DBC*, No. 2008-1120 Docket entry No. 29 (Fed. Cir. June 19, 2008). If petitioner here had filed such a motion *before* the court of appeals made its decision on the merits of patentability, that could have mitigated at least *some* of the "concerns for gamesmanship" that this Court recognizes are applicable whenever a party raises a technical defect only after it learns that it lost its other arguments on the merits. *Nguyen* v. *United States*, 539 U.S. 69, 81 n.12 (2003).

cial power, and especially Article III power. For example, in *Nguyen* v. *United States*, 539 U.S. 69 (2003), this Court prevented a non-Article-III judge from exercising Article III jurisdiction in a criminal case. In *Glidden Co.* v. *Zdanok*, 370 U.S. 530 (1962), the Court considered whether certain judges on the Court of Claims and the Court of Customs and Patent Appeals were Article III judges and thus eligible to sit on federal district courts and courts of appeals. In *Freytag*, the Court addressed appointments within the Tax Court, which "exercise[d] judicial power to the exclusion of any other function" and was, unlike the Board here, determined by this Court to be "independent of the Executive and Legislative Branches." 501 U.S. at 891; see also Pet. 11 (recognizing that the USPTO is "[u]nlike the Tax Court in *Freytag*").

Unlike all of those cases, petitioner's challenge concerns the status of the appointments of some Executive Branch officials and does not affect the authority of any Article III court. Thus, no compelling reason exists for excusing petitioner's failure to observe the bedrock procedural rule that a non-jurisdictional argument is waived unless timely asserted. See *United States* v. *Olano*, 507 U.S. 725, 731 (1993) ("'No procedural principle is more familiar to this Court than that a constitutional right,' or a right of any other sort, 'may be forfeited in criminal as well as civil cases by the failure to make timely assertion of the right before a tribunal having jurisdiction to determine it.'") (quoting *Yakus* v. *United States*, 321 U.S. 414, 444 (1944)).

2. Petitioner also asks (Pet. i, 3, 12-17) this Court to decide an issue concerning the scope of the de-facto-officer doctrine, which "confers validity upon acts performed by a person acting under the color of official title

even though it is later discovered that the legality of that person's appointment or election to office is deficient." *Ryder* v. *United States*, 515 U.S. 177, 180 (1995). Petitioner concedes that the doctrine insulates Board decisions that are no longer subject to "direct review," but argues that the doctrine does not apply to cases that "have or will have gone to the Federal Circuit and can still be brought before this Court." Pet. 3; see also Pet. 12-15.[2]

Petitioner invokes *Ryder* and *Nguyen* as support for the proposition that this Court will "grant[] a judicial remedy" in a case on direct review. Pet. 3; see also Pet. 13-15. But this case is distinguishable from *Ryder* and *Nguyen* in several notable ways. First, the judicial remedy in both of those cases was to vacate a *criminal conviction* on direct review. See *Nguyen*, 539 U.S. at 73, 83; *Ryder*, 515 U.S. at 179. This case does not, of course, involve a criminal conviction.

Second, in both *Nguyen* and *Ryder*, the Court stressed that its decision would affect no more than a handful of cases. See *Nguyen*, 539 U.S. at 81 n.12 ("We agree with the Government's submission that the improper composition of the court below was 'an isolated, one-time mistake.'"); *Ryder*, 515 U.S. at 185 ("The parties agree that the defective appointments of the civilian judges affect only between 7 to 10 cases pending on direct review."). Here, by contrast, a decision on the merits of petitioner's constitutional argument could affect

---

[2] Unlike its Appointments Clause challenge, petitioner's proposed interpretation of the de-facto-officer doctrine was not even included in its petition to the court of appeals for rehearing en banc. For the reasons discussed above, see pp. 5-10, *supra*, it is thus equally subject to the Court's customary practice of not addressing issues that were not raised in the lower courts.

far more than a handful of cases. The allegedly improper appointment method has been used since 2000, and last year alone the Board decided more than 3,500 cases. See U.S. Patent and Trademark Office, *Process Production Report, Final Report FY 2007* (visited July 25, 2008) <http://www.uspto.gov/web/offices/dcom/bpai/docs/process/fy2007.pdf>. Accordingly, applying the de-facto-officer doctrine in this context would well serve its intended function of preventing "the chaos that would result from multiple and repetitious suits challenging every action taken by every official whose claim to office could be open to question." *Ryder*, 515 U.S. at 180 (citation omitted).

Third, in both *Nguyen* and *Ryder*, no intermediate appellate court had been able to vet the merits of the decision reached by the allegedly tainted panel. In *Nguyen*, this Court was the only tribunal to review the decision of an improperly constituted panel of the Ninth Circuit. In *Ryder*, although the decision of the Coast Guard Court of Military Review had been affirmed by the Court of Military Appeals before it reached this Court, that intermediate court had less discretion "to review claims of error, revise factual determinations, and revise sentences" than the tainted panel. 515 U.S. at 187. Here, petitioner cannot contend that the Federal Circuit was unable to address the merits of its claims about patentability, since those were precisely the claims that were pressed and passed upon.

Finally, *Ryder* held that a litigant is not entitled to a decision on the merits of a constitutional appointments challenge unless he makes a "timely challenge to the constitutional validity of the appointment of an officer who adjudicates his case." 515 U.S. at 182. In that case, the Court noted that the petitioner had "raised his ob-

jection to the judges' titles before those very judges and prior to their action on his case." *Ibid.* In *Nguyen* (which also implicated this Court's supervisory powers over Article III courts, 539 U.S. at 74), the challenge was presented to the first tribunal that reviewed the tainted court. Petitioner's challenge was not raised in the manner found to be sufficiently timely in either *Ryder* or *Nguyen*.

Because petitioner thus has not in fact identified a case that is "on all fours with this one" (Pet. 3, 13), this Court should not depart from its "obviously sound policy of preventing litigants from abiding the outcome of a lawsuit and then overturning it if adverse upon a technicality of which they were previously aware." *Glidden Co.*, 370 U.S. at 535 (plurality opinion of Harlan, J.).[3]

3. There is an independent reason why certiorari should be denied. Legislation that would remove the grounds for petitioner's constitutional objection is currently pending in Congress and may well be enacted soon. On July 21, 2008, the chairman of the Senate Judiciary Committee introduced S. 3295, which was co-sponsored by the ranking minority member of the Judiciary Committee. See 154 Cong. Rec. S6976 (daily ed.). The next day, the bill was discharged from committee, and it passed the Senate by unanimous consent. See 154 Cong. Rec. S7079 (daily ed. July 22, 2008). An identical bill,

---

[3] Petitioner argues (Pet. 15-17) that the alleged defect is not merely "technical," but does not contest that the administrative patent judge in question is a "person[] of competent legal knowledge and scientific ability," 35 U.S.C. 6(a), who was statutorily eligible to serve notwithstanding any defect in his appointment. Cf. *Nguyen*, 539 U.S. at 80 (finding that non-Article-III judges do not meet "the statutory requirements set by Congress for the composition of the federal courts of appeals").

H.R. 6362, has been pending in the House of Representatives, where it is co-sponsored by the bipartisan leadership of the Judiciary Committee and its Subcommittee on Courts, the Internet, and Intellectual Property. See 154 Cong. Rec. H6088 (daily ed. June 25, 2008).

If S. 3295 also passes the House of Representatives and is enacted, it will amend 35 U.S.C. 6(a), so that administrative patent judges would no longer be appointed by the Director. They would instead be "appointed by the Secretary of Commerce, in consultation with the Director." S. 3295, 110th Cong., 2d Sess. § 1(a)(1)(B) (2008). The Secretary of Commerce is indisputably a "Head[] of Department[]" under the Appointments Clause. See *Freytag*, 501 U.S. at 886; *id.* at 918-919 (Scalia, J., concurring in part and concurring in the judgment); Pet. 10-11. As a result, that part of the bill would enable the Department itself to eliminate future constitutional objections along the lines raised by petitioner by providing for appointment of all current and future administrative patent judges by the Secretary, and thus dramatically reduce the importance of resolving the questions presented here.

S. 3295 would also go further. It contains additional provisions that would affect the viability of constitutional challenges in the "small subset of the Board's decisions [that] are presently subject to direct review" and thus, according to petitioner (Pet. 14), subject to constitutional challenge. It would affect those cases in two ways. First, it would add a new subsection (c) to 35 U.S.C. 6. For each administrative patent judge who, before the bill's enactment, "held office pursuant to an appointment by the Director"—*i.e.*, for every one of the judges whose appointment petitioner contends is constitutionally invalid—subsection (c) would authorize the

Secretary of Commerce, "in his or her discretion, [to] deem" the Secretary's appointment of that judge "to take effect on the date on which the Director initially appointed the administrative patent judge." S. 3295, § 1(a)(1)(C). In other words, if the Secretary chose to re-appoint certain sitting judges, those appointments could be made *nunc pro tunc*. Second, S. 3295 would also provide an express statutory directive to apply the de-facto-officer doctrine in this context, by adding a new subsection (d) to 35 U.S.C. 6, reading as follows: "It shall be a defense to a challenge to the appointment of an administrative patent judge on the basis of the judge's having been originally appointed by the Director that the administrative patent judge so appointed was acting as a de facto officer." *Ibid.*

Because the pending legislation will, if enacted, eliminate or ameliorate constitutional objections like petitioner's in both current and future cases, there is no need for this Court to address the questions petitioner raises. Moreover, even if the pending legislation is not enacted, there is no reason this Court must decide those questions *in the first instance*. The Federal Circuit will presumably have the opportunity to do that in other cases, which would preserve this Court's usual status as "a court of final *review*." *Adarand*, 534 U.S. at 110 (citation omitted; emphasis added). Under the circumstances, a decision by this Court on the constitutional question would be premature.

4. Finally, because petitioner would be unlikely to prevail on the merits of its underlying claim of patentability, this case is an especially poor vehicle to make an exception to the usual rules of waiver in order to reach out and decide a constitutional question that has never been addressed by any other court. Cf. *Department of*

Commerce v. *United States House of Representatives*, 525 U.S. 316, 343 (1999) ("If there is one doctrine more deeply rooted than any other in the process of constitutional adjudication, it is that we ought not to pass on questions of constitutionality * * * unless such adjudication is unavoidable.") (quoting *Spector Motor Serv., Inc.* v. *McLaughlin*, 323 U.S. 101, 105 (1944)).

Petitioner's arguments on the merits were rejected not only by the Board member to whose appointment petitioner objects, but also by the patent examiner, the other members of the Board that decided its case, and the three-judge panel of the Federal Circuit. The court of appeals, in particular, considered the merits of petitioner's challenges at length and unanimously rejected each of them. It rejected petitioner's claim construction argument without showing *any* "deference" to the Board. Pet. App. 14a, 16a-19a. With regard to petitioner's other two arguments, it reviewed the Board's "ultimate determination of obviousness de novo." *Id.* at 15a (citation omitted). Although the court of appeals reviewed the Board's underlying findings of fact for "substantial evidence," *ibid.*, the court's "obviousness" analysis drew extensively from this Court's subsequent decision in *KSR International Co.* v. *Teleflex Inc.*, 127 S. Ct. 1727 (2007), and concluded that an ordinary artisan would understand that "the inputs to a circuit do not change the circuit itself," and that "any conventional multiplexer circuit"—including transmission gate multiplexers like those in the patent claim here—"could be utilized to implement the 2:1 multiplexer circuits in [the prior art]." Pet. App. 25a-27a. The court of appeals also rejected another claim-construction argument that petitioner raised in its petition for panel rehearing. *Id.* at 118a-120a. Thus, even assuming that the Board's deci-

sion were to be vacated and the case remanded to the agency for another review of the patent examiner's decision, petitioner gives no reason to believe that it would at last succeed in establishing that its patent claims were not obvious.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted.

GREGORY G. GARRE
Acting Solicitor General
GREGORY G. KATSAS
Assistant Attorney General
MICHAEL S. RAAB
KELSI BROWN CORKRAN
Attorneys

JULY 2008